



COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
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ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

GAIL FARBER, Director

September 20, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

24 September 20, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**AWARD OF CONTRACT FOR
OPERATING FOOD AND VENDING MACHINE SERVICES
AT THE DEPARTMENT OF PUBLIC WORKS HEADQUARTERS
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

This action is to award a contract to operate a retail cafeteria food and vending machine service at the Department of Public Works Headquarters located in the City of Alhambra.

IT IS RECOMMENDED THAT YOUR BOARD:

Find the proposed Operating Food and Vending Machine Services contract categorically exempt under the California Environmental Quality Act (CEQA).

Award the contract for Operating Food and Vending Machine Services at the Department of Public Works Headquarters to California Dining Services with estimated total annual sale revenue at \$200,000. This contract will be for a period of one year commencing on October 7, 2011, or execution by both parties, whichever occurs last, with four 1-year renewal options and a month to month extension up to six months for a maximum potential total contract term of 66 months.

Authorize the Director of Public Works or her designee to execute the contract; renew the contract for each additional renewal option if, in the opinion of the Director or her designee, California Dining Services has successfully performed during the previous contract period and the services are still required; to approve and execute amendments to incorporate necessary changes within the scope of work; and to suspend work if, in the opinion of the Director of Public Works or her designee, it is in

the best interest of the County of Los Angeles to do so.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to have your Board approve an agreement which will provide for cafeteria operations, management, and vending machine services at the Department of Public Works (Public Works) Headquarters.

Since 1988, cafeteria operations, management, and vending machine services for approximately 1,400 employees and visitors to the Public Works Headquarters have been provided under agreements with private cafeteria and vending machine services vendors. Maintaining on-site cafeteria and vending machine services benefits County employees as well as visitors to Public Works.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). The contractor who has the specialized expertise to provide these services accurately, efficiently, timely, and in a responsive manner will support Public Works in meeting these goals.

FISCAL IMPACT/FINANCING

There is no cost to the County. Under the terms of the agreement, the contractor will pay the County \$500 (for an annual amount of \$6,000) or 5 percent of its monthly gross receipts derived from the operation of the cafeteria, whichever is greater, and 10 percent of its monthly gross receipts derived from vending machine sales. Revenue will be deposited in the Fiscal Year 2011-12 Internal Service Fund Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended contractor is California Dining Services, located in Irvine, California. This contract will commence on October 7, 2011, or execution by both parties, whichever occurs last, for a period of one year. With your Board's delegated authority, the Director of Public Works (Director) or her designee may renew the contract for four 1-year renewal options and a month to month extension up to six months for a maximum potential total contract term of 66 months.

The contract will be in the form previously reviewed and approved by County Counsel (Enclosure A). Prior to the Director executing this contract, the contractor will sign and County Counsel will review it as to form. The recommended contract with California Dining Services was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the requirements of the Chief Executive Officer and your Board.

The award of the contract will not result in unauthorized disclosure of confidential information and will be in full compliance with Federal, State, and County regulations. The contract contains terms and conditions supporting your Board's ordinances, policies, and programs including, but not limited to: the County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board

Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and Defaulted Property Tax Reduction Program Ordinance, Los Angeles County Code, Chapter 2.206; and the standard Board directed clauses that provide for contract termination or renegotiation. Public Works has evaluated and determined that Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203, is not applicable to this contractor due to contractor not having received an aggregate sum of \$50,000 or more in any 12 month period under one or more County contracts. The contractor agreed to comply with the Jury Service Program should their revenues from the County exceed the aggregate sum of \$50,000 in any 12-month period.

Public Works has accessed available resources to review and assess the proposed contractor's past performance, history of Labor Law violations, and prior performance on County contracts. California Dining Services employs approximately 500 employees in California. In the last three years, one claim for a total of \$3,545.63 was recorded with the State Division of Labor Standards Enforcement (DLSE) for labor law violations, resulting in an average of \$2.37 per employee per year. The County Labor Law Assessment Team (Assessment Team) reviewed these findings and determined that the reported Labor Law violations did not show a pattern by the contractor to intentionally violate State Labor Laws and that, based on the number of employees employed by the contractor and the payout of the violations, the violations for California Dining Services falls under the minor category; however, all claims were not fully disclosed. Therefore, in accordance with the Assessment Guidelines, the Assessment Team recommended a 4 percent deduction to the recommended contractor's evaluation score. Public Works did assess the 4 percent deduction and found California Dining Services still to be the highest-rated, apparent responsible and responsive proposer.

Data regarding the proposers' minority participation is on file with Public Works. The contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

Proof of the required Comprehensive General and Automobile Liability insurance policies, naming the County as additional insured, and evidence of Workers' Compensation insurance along with Property Coverage insurance will be obtained from the contractor before any work is assigned.

Pursuant to the applicable memorandum of understanding, the Request for Proposals (RFP) for these contracted services was submitted on April 28, 2011, to the appropriate union for review. The union has not asked to meet with Public Works regarding this solicitation.

Public Works has evaluated and determined that this recommended contract is not a Proposition A contract (Los Angeles County Code, Chapter 2.121) as authority to contract for this service is expressly provided by statute (California Government Code, Section 25536).

The contractor has agreed to pay its full-time employees the current Living Wage Rate approved by your Board on February 6, 2007, and to comply with the County's Living Wage reporting requirements. The contract complies with all of the requirements of the Los Angeles County Code, Section 2.201. The contractor will pay its full time employees the required minimum rates of \$11.84 per hour without health benefits, or \$9.64 per hour with health benefits of \$2.20 per hour, as specified in the LWO adopted by your Board and will comply with the County's Living Wage reporting requirements.

This contract does not allow for a cost-of-living adjustment for the optional years.

ENVIRONMENTAL DOCUMENTATION

These services are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (r) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of CEQA, in that it involves continuation of food concession and vending machine services in existing facilities with negligible or no change in existing use of such facilities.

CONTRACTING PROCESS

In compliance with your Board's direction on March 22, 2011, Agenda Item 14, on Healthy Food Promotion in Los Angeles County Food Services Contract, Public Works consulted with the Director of the Department of Public Health (DPH) prior to the release of the RFP to ensure that dietary requirements comply with previously adopted Board policies to promote healthy nutrition. Recommendations made by DPH were incorporated into the RFP prior to its release to the public.

On April 29, 2011, Public Works solicited proposals from 119 independent contractors and community business enterprises to accomplish this work. Also, a notice of the RFP was placed on the County's bid website (Enclosure B), and an advertisement was placed in the Los Angeles Times.

On May 25, 2011, two proposals were received. The proposals were first reviewed to ensure they met the minimum requirements in the RFP. All proposals having met these requirements were then evaluated by an evaluation committee consisting of Public Works staff. The committee's evaluation was based on criteria described in the RFP, which included the compensation plan, experience/staffing plan, work plan, financial resources, references, and demonstrated control over labor/payroll record keeping using the informed averaging methodology, for applicable criteria. Based on this evaluation, it is recommended that this contract be awarded to the highest-rated, apparent responsive and responsible proposer, California Dining Services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The award of this contract will not result in the displacement of any County employees as these services are presently contracted with the private sector.

CONCLUSION

Please return an adopted copy of this letter to the Department of Public Works, Administrative Services Division.

The Honorable Board of Supervisors

9/20/2011

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Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The signature is written in a cursive, flowing style.

GAIL FARBER

Director

GF:GZ:cg

Enclosures

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Internal Services Department, Contracts
Division (w/o enc.)

AGREEMENT FOR
OPERATING FOOD AND VENDING MACHINE SERVICES AT THE
DEPARTMENT OF PUBLIC WORKS HEADQUARTERS

THIS AGREEMENT, made and entered into this ____ day of _____, 2011, by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California, a body corporate and politic (hereinafter referred to as COUNTY) and CALIFORNIA DINING SERVICES, a Corporation (hereinafter referred to as CONTRACTOR).

WITNESSETH

FIRST: The CONTRACTOR, for the consideration hereinafter set forth and the acceptance by the Board of Supervisors of said COUNTY of the CONTRACTOR'S Proposal filed with the COUNTY on May, 25, 2011, hereby agrees to provide services as described in this Contract for Operating Food and Vending Machine Services at the Department of Public Works Headquarters.

SECOND: This AGREEMENT, together with Exhibit A, Scope of Work; Exhibit B, Service Contract General Requirements; Exhibit C, Internal Revenue Service Notice 1015; Exhibit D, Safely Surrendered Baby Law Posters; Exhibit E, Defaulted Property Tax Reduction Program; Exhibit F, Cafeteria Diagram, Exhibit G, County of Los Angeles Vending Machine Nutrition Policy; Exhibit H, Concession Nutrition Standards; the CONTRACTOR'S Proposal, all attached hereto; the Request for Proposals; and Addenda to the Request for Proposals, all of which are incorporated herein by reference, are agreed by the COUNTY and the CONTRACTOR to constitute the Contract.

THIRD: This Contract's initial term shall be for a period of one year commencing on October 7, 2011, or execution by both parties, whichever occurs last. At the sole discretion of the COUNTY, this Contract may be extended in increments of one year, for a maximum potential Contract of five years. The COUNTY, acting through the Director, may give a written notice of intent to extend this Contract at least ten days prior to the end of each term. At the sole discretion of the COUNTY, in lieu of extending the Contract for the full one year, this Contract may be extended on a month-to-month basis, upon written notice to the CONTRACTOR at least ten days prior to the end of a term. The Director will provide a written notice of nonrenewal at least ten days before the last day of any term, in which case this Contract shall expire as of midnight on the last day of that term. Where all option years have been exercised, the Director will not provide a written notice of nonrenewal. In addition, upon notice of at least ten days, the Director may extend the final Contract term on a month-to-month basis, not to exceed a total of six months, for the convenience of the COUNTY.

FOURTH: The CONTRACTOR shall operate its Services at the Premises on a revenue generation basis for Public Works. Within 30 days of the end of each calendar month, the CONTRACTOR shall deliver to the Contract Manager a CONTRACTOR payment of \$500 (for an annual amount of \$6,000) or 5 percent (as listed on Form PW-2,

Monetary Compensation and Vending Machine Revenue, of its monthly gross receipts derived from the operation of its Services, whichever is greater. The CONTRACTOR shall submit payments to:

County of Los Angeles Department of Public Works
Attention Cashiers Office
900 South Fremont Avenue
Alhambra, CA 91803-1331

FIFTH: The CONTRACTOR shall self-operate or utilize FIRST CLASS VENDING MACHINE, INC., as a Subcontractor to operate its Vending Machine Service for Public Works. Any change to Subcontractor shall be preapproved by the Contract Manager. Prices of Products sold through the Subcontractor's vending machines shall be determined by mutual consent between the CONTRACTOR, the Subcontractor, and Public Works. For the privilege of selling Products on the Premises, the CONTRACTOR shall pay 10 percent as listed on Form PW-2, Monetary Compensation and Vending Machine Revenue, commission on gross vending receipts to Public Works within a 30-day period after the end of each accounting period. The CONTRACTOR shall provide monthly vending statements in a format acceptable to Public Works based on 12 accounting periods, which comprise its fiscal year. Both commission payments and monthly vending statements shall be sent to the Contract Manager. The CONTRACTOR shall submit payments to:

County of Los Angeles Department of Public Works
Attention Cashiers Office
900 South Fremont Avenue
Alhambra, CA 91803-133

SIXTH: The CONTRACTOR shall receive all profits remaining after payment is made to the to the COUNTY as provided herein. The CONTRACTOR shall also bear all losses, if any, in the event receipts from the operation of its Services are less than the CONTRACTOR'S operating cost.

The CONTRACTOR shall submit to the Contract Manager its certified living wage monitoring reports after the end of each accounting period and a profit and loss statement showing the accounting period's monthly gross receipts report.

The CONTRACTOR understands and agrees that only the designated Contract Manager is authorized to request or approve additional Services under this Contract.

SEVENTH: The financial terms of this Contract have been negotiated between the parties upon the condition that the CONTRACTOR shall operate its Services at the same operational set-up agreed to when the CONTRACTOR begins operations hereunder. If Public Works desires the CONTRACTOR to operate its Services for additional services

IN WITNESS WHEREOF, the COUNTY has, by order of its Board of Supervisors, caused these presents to be subscribed by the Director of Public Works, and the CONTRACTOR has subscribed its name by and through its duly authorized officers, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By _____
Deputy

CALIFORNIA DINING SERVICES

By _____
Its President

Type or Print Name

By _____
Its Secretary

Type or Print Name

Date

Bid Detail Information

Bid Number : PW-ASD 809

Bid Title : OPERATING FOOD AND VENDING MACHINE SERVICES AT THE DEPARTMENT OF PUBLIC WORKS HEADQUARTERS

Bid Type : Service

Department : Public Works

Commodity : CAFETERIA AND RESTAURANT SERVICES

Open Date : 4/28/2011

Closing Date : 5/10/2011 2:30 PM

Bid Amount : N/A

Bid Download : Not Available

Bid Description : PLEASE TAKE NOTICE that Public Works requests proposals for the contract for Operating Food and Vending Machine Services at the Department of Public Works Headquarters (2011-PA007) in Alhambra. The total annual sale revenue amount of this service is estimated to be \$200,000. The Request for Proposals (RFP) with contract specifications, forms, and instructions for preparing and submitting proposals may be accessed at <http://dpw.lacounty.gov/asd/contracts> or may be requested from Ms. Samantha Tsui at (626) 458 4050 or stsui@dpw.lacounty.gov, Monday through Thursday, 7:30 a.m. to 5:30 p.m.

PLEASE CHECK THE WEBSITE FREQUENTLY FOR ANY CHANGES TO THIS SOLICITATION. ALL ADDENDA AND INFORMATIONAL UPDATES WILL BE POSTED AT <http://dpw.lacounty.gov/asd/contracts>.

Minimum Requirement(s): Proposers must meet all minimum requirements set forth in the RFP document including, but not limited to, Proposers or their managing employees (contractor representatives) and their cafeteria supervisor must have at least five years of experience in performing cafeteria-type operations.

A Proposers' Conference will be held on Tuesday, May 10, 2011, at 2:30 p.m. at Public Works Headquarters, 900 South Fremont Avenue, Alhambra, California 91803, in the Alhambra Room. A walk-through will be conducted after the conference. ATTENDANCE BY THE PROPOSER OR AN AUTHORIZED REPRESENTATIVE AT THE CONFERENCE AND WALK THROUGH IS MANDATORY. Public Works will reject proposals from those whose attendance at the conference and walk through cannot be verified. Attendees should be prepared to ask questions at that time about the specifications, proposal requirements, and contract terms. After the conference, Proposers must submit questions in writing and request information for this solicitation within seven calendar days from the date of the conference. After the seventh day, it may be impossible to respond to further requests for information.

The deadline to submit proposals is Wednesday, May 25, 2011, at 5:30 p.m. Please direct your questions to Ms. Tsui at the number listed on the previous page.

Contact Name : Samantha Tsui

Contact Phone# : (626) 458-4050

Contact Email : stsui@dpw.lacounty.gov

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